

## **Guidance to a successful SUBCONTRACTING PLAN**

### **Background**

The Federal Acquisition Regulation (FAR) Subpart 19.702 Statutory requirements, **all Large Business and any other than Small Business** concerns must submit an acceptable Subcontracting Plan. The plan must identify the total contract award, total dollars and or percentage of the acquisition to be subcontracted to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. This information can and will assisted the contracting agency in assist you in meeting your goals.

This subcontracting plan outline is offered as guidance for developing a subcontracting plan that complies with Public Law 95-507 and FAR Subpart 19.7 The Small Business Subcontracting Program. The following outline meets the minimum requirements of section 8(d) of the **Small Business** Act, as amended, and implemented by Federal Acquisition Regulations (FAR) Subpart 19.7. While this outline has been designed to be consistent with statutory and regulatory requirements, other formats of a **subcontracting plan** may be acceptable. It is not intended to replace any existing corporate **plan** that is more extensive. Failure to include the essential information of FAR Subpart 19.704 may be cause for either a delay in acceptance or the rejection of a bid or offer when a **subcontracting plan** is required. "SUBCONTRACT," as used in this clause, means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

### **US ARMY CORPS OF ENGINEERS SMALL BUSINESS PROGRAM**

#### **FY 2007 TARGET GOALS**

<b>Subcontract Awards</b>	<b>% of Dollars Subcontracted by Large Prime Businesses</b>
Small Business (SB)	51.2%
Small Disadvantaged Business (SDB)	8.8%
Women-Owned Small Business (WOSB)	7.3%
HUBZone Small Business	3.1%
Service-Disabled Veteran-Owned Small Business (SDVOSB)	1.5%(stretch 3%)
Veteran-Own Small Business	1%

**These target goals are to be applied to the overall value of the acquisition/contract unless other wise stated in the solicitation.** If assistance is needed to locate small business sources, contact the Office of Small and Disadvantaged Business Utilization (OSDBU) at (703) 697-2868 or HECSA Deputy of Small Business at (703)428-7385. Source may also be obtained from SBA's Pro-Net website [http://dsbs.sba.gov/dsbs/dsp\\_dsbs.cfm](http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm)

Public Law 95-507 requires Utilization of Small Business and Socially and Economically Disadvantage Concerns maximum practicable extent.

## **SUBCONTRACTING PLAN**

### Offeror/Contractor Identification Data

**Company Name:**

**DUNN & BRADSTREET NUMBER:**

**Cage Code:**

**Address:**

**Date Prepared:**

**Solicitation Number:**

**Period of Contract Performance:**

**Item/Service** (Use this space to provide a general description and 'Table A' for specific detail):  
**NAICS/SIC code**

**Place of Performance:** \_\_\_\_\_ **City** \_\_\_\_\_ **State** \_\_\_\_\_ **country**

### **TYPE OF PLAN (Check only one)**

\_\_\_\_\_ **INDIVIDUAL PLAN:** In this type of plan, all elements are developed specifically for this contract and are applicable for the full term of this contract (including option periods).

\_\_\_\_\_ **MASTER PLAN:** In this type of plan, goals are developed for this contract; all other elements are standard. The master plan shall be effective for a 3-year period after approval by the contracting officer. A master plan, when incorporated in an individual plan, shall apply to that contract throughout the life of the contract.

\_\_\_\_\_ **COMMERCIAL PLAN:** This type of plan is used when the contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals are negotiated with the initial agency on a company-wide basis rather than for individual contracts. The plan is effective only during the year approved. The contractor must provide a copy of the initial agency approval, AND MUST SUBMIT THEIR ANNUAL SUBCONTRACTING REPORT DATA (via the federal government's web-based Electronic Subcontracting Reporting System...<http://www.esrs.gov>) TO COMMERCE

WITH A BREAKOUT OF SUBCONTRACTING PRORATED FOR COMMERCE.

**ACQUISITION COST**

Total dollar value of the acquisition/contract, including all options:

\$ \_\_\_\_\_ Base Period

\$ \_\_\_\_\_ 1<sup>st</sup> Option Period

\$ \_\_\_\_\_ 2<sup>nd</sup> Option Period

\$ \_\_\_\_\_ 3<sup>rd</sup> Option Period

\$ \_\_\_\_\_ 4<sup>th</sup> Option Period

\$ \_\_\_\_\_ Total estimated contract value

**1.** Total dollars amount planned for subcontracting to included subcontracts intended for awarded to large business. \$ \_\_\_\_\_

Total dollar amount planned for subcontracting to included subcontracts intended for award to Large Business concerns \$ \_\_\_\_\_

Total dollar amount planned for subcontracting to included subcontracts intended for award to Small Business concerns \$ \_\_\_\_\_

**2. GOALS**

FAR 19.704 (a) (1) and (2) requires separate dollar and percentage goals for each category listed below

Category	BASE	OP1	OP2	OP3	OP4	Total
Small Business (SB)						
Small Business Disadvantaged						
Women-Owned SB						
HUBZone Small Business						
Veteran-Owned Small Business						
Service Disabled Vet owned SB						

3. Provide a description of **ALL** Products and/or Services to be subcontracted under this contract, and indicate the size and type of business supplying them are: (Check all that apply on 'Table A' and attach additional sheets as necessary).

**Business Size or Category**

Subcontracted Product/Service (NAICS/SIC Codes)	CLIN (Contract Line Item Number)	LARGE	SMALL	SMALL DISADV	WOMEN- OWNED	HUBZONE	VETERAN- OWNED	SERVICE- DISABLED VETERAN- OWNED

4. Provide a description of the method used to develop the **subcontracting** goals for SB, SDB, WOSB, HUBZone, and VOSB concerns. Address efforts made to ensure that maximum practicable **subcontracting** opportunities have been made available for those concerns and explain the method used to identify potential sources for solicitation purposes. Explain the method and state the quantitative basis (in dollars) used to establish the percentage goals. Also, explain how the areas to be subcontracted to SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns were determined, how the capabilities of these concerns were considered for contract opportunities and how such data comports with the cost proposal. Identify any source

lists or other resources used in the determination process. (Attach additional sheets, if necessary.)

5. Indirect and overhead costs \_\_\_\_\_ HAS BEEN \_\_\_\_\_ HAVE NOT BEEN  
Included in the dollar's and percentage's report in your subcontracting goals stated above.  
(Check one)

\* If indirect and overhead costs HAVE BEEN included, explain the method used to determine the proportionate share of such costs to be allocated as subcontracts to small, small disadvantaged, women-owned small, HUBZone small, veteran- owned, and service-disabled veteran-owned small business concerns.

## 6. PROGRAM ADMINISTRATOR

FAR 19.704(a) (7) requires information about the company employee who will administer The subcontracting program within the corporate structure and the duties of the employee.

**Name:**

**Title:**

**Address:**

**Telephone:**

**E-MAIL**

## 7. Duties:

Does the individual named above have general overall responsibility for the company's **subcontracting** program, i.e., developing, preparing, and executing **subcontracting** plans and monitoring performance relative to the requirements of those **subcontracting** plans and perform the following duties?

☐ yes ☐ no \_\_\_\_\_

*(If NO is checked, please indicate who in the company performs those duties, or indicate why the duties are not performed in your company.)*

**a.** Develops and promotes company-wide policy initiatives that demonstrate the company's support for awarding contracts and subcontracts to SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns; and assures that these concerns are included on the source lists for solicitations for products and services they are capable of providing; ☐ yes ☐ no

**b.** Develops and maintains bidder source lists of SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns from all possible sources; ☐ yes ☐ no

**c.** Ensures periodic rotation of potential subcontractors on bidder's lists; ☐ yes ☐ no

**d.** Ensures that SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB businesses are included on the bidders' list for every subcontract solicitation for products and services that they are capable of providing; ☐ yes ☐ no

**e.** Ensures that Requests for Proposals (RFPs) are designed to permit the maximum

practicable participation of SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns; ☐ yes ☐ no

**f.** Reviews subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB participation; ☐ yes ☐ no

**g.** Accesses various sources for the identification of SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns to include the SBA's PRO-Net and SUB-Net Systems, (<http://www.sba.gov>), the National Minority Purchasing Council Vendor Information Service, the Office of Minority **Business** Data Center in the Department of Commerce, local **small business** and minority associations, contact with local chambers of commerce and Federal agencies' **Small Business** Offices; ☐ yes ☐ no

**h.** Establishes and maintains contract and subcontract award records; ☐ yes ☐ no

**i.** Participates in **Business** Opportunity Workshops, Minority **Business** Enterprise Seminars, Trade Fairs, Procurement Conferences, etc; ☐ yes ☐ no

**j.** Ensures that SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns are made aware of **subcontracting** opportunities and assisting concerns in preparing responsive bids to the Company; ☐ yes ☐ no

**k.** Conducts or arranges for the conduct of training for purchasing personnel regarding the intent and impact of Section 8(d) of the **Small Business** Act, as amended; ☐ yes ☐ no

**l.** Monitors the company's **subcontracting** program performance and makes any adjustments necessary to achieve the subcontract **plan** goals; ☐ yes ☐ no

**m.** Prepares and submits timely, required subcontract reports; ☐ yes ☐ no

**n.** Coordinates the company's activities during the conduct of compliance reviews by Federal agencies; ☐ yes ☐ no; and

## **EQUITABLE OPPORTUNITY**

FAR 19.704 (a) (8) requires a description of the efforts your company will make to ensure that small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns will have an equitable opportunity to compete for subcontracts. (Check all that apply)

**8.** Outreach efforts to obtain sources:

- 1) Contacting minority and **small business** trade associations;
- 2) Contacting **business** development organizations and local chambers of commerce;
- 3) Attending SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB procurement conferences and trade fairs;
- 4) Requesting sources from the **Small Business** Administrations (SBA) PRO-Net and SUB-Net Systems, (<http://www.sba.gov/>) and other SBA and Federal agency resources. Contractors may also conduct market surveys to identify new sources.
- 5) Internal efforts to guide and encourage purchasing personnel in:
- 6) Conducting workshops, seminars, and training programs;
- 7) Establishing, maintaining, and utilizing SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB source lists, guides, and other data for soliciting subcontractors; and
- 8) Monitoring activities to evaluate compliance with the **subcontracting plan**.
- 9) Additional efforts: (Please describe)

## 9. CLAUSE INCLUSION AND FLOW DOWN

A statement that flow down clause 52.219-8, Utilization of Small Business Concerns (see 19.708(a)), is included in subcontracts that offer further subcontracting opportunities, and that your company will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$550,000 (\$1,000,000 for construction) to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting plan(see 19.708(b));

## 10. REPORTING AND COOPERATION

Include a statement of assurance that the company intends to:

- (1) cooperate in any studies or surveys as may be required
- (2) Submit periodic reports which show compliance with the subcontracting plan
- (3) Submit Standard Form SF 294, "Subcontracting Reports for Individual Contracts", and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms, except the **original** shall be mailed to the contracting officer and a **copy** to the Office of Small and Disadvantaged Business Utilization; and
- (4) ensure that subcontractors agree to submit SF 294 and SF 295

As required in \* FAR 19.704 (a) (10)

## 11. RECORD KEEPING

FAR 19.704 (a) (11) requires a description of the types of records your company will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. These records will include, but not limited to, to the following: (Check all that apply)

- A. Small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns source lists, guides, and other data identifying such vendors
- | YES | NO |
|-----|----|
|     |    |

- B. Organizations contacted for small, small disadvantaged, women-owned small, HUBZone small, veteran-

owned, and service-disabled veteran-owned small business sources.

\_\_\_\_\_YES \_\_\_\_\_NO

- C. On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether small disadvantaged business concerns were solicited, and if not, why not; (3) whether women-owned small businesses were solicited, and if not, why not; (4) whether HUBZone small businesses were solicited, and if not, why not; (5) whether veteran-owned (including service disabled veteran-owned) small businesses were solicited, and if not, why not, and (6) reasons for the failure of solicited small, small disadvantaged, women-owned small, HUBZone small, and veteran-owned (including service-disabled veteran-owned) small business concerns to receive the subcontract award

\_\_\_\_\_YES \_\_\_\_\_NO

- D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conference and trade fairs

\_\_\_\_\_YES \_\_\_\_\_NO

- E. Records to support internal activities to (1) guide and encourage purchasing personnel, e.g., workshops, seminars, training programs, incentive awards, and (2) monitor activities to evaluate compliance

\_\_\_\_\_YES \_\_\_\_\_NO

- F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size and ownership status of each subcontractor. (This item is not required for commercial subcontracting plans).

\_\_\_\_\_YES \_\_\_\_\_NO

- G. Other records to support your compliance with the subcontracting plan: (Please describe)

## **12. TIMELY PAYMENTS TO SUBCONTRACTORS**

FAR 19.702 requires company to establish and use procedures to ensure the timely payment of amounts due pursuant to the terms of your subcontracts with small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns.

Your company has established and uses such procedures: \_\_\_\_\_YES \_\_\_\_\_NO



### 13. REQUIRED SIGNATURES

This subcontracting plan was **submitted** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Contracting Officer/ Contracting Specialist*** \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Deputy for Small Business*** \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Small Business Administration Representative*** \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Office of Small and Disadvantaged Business Utilization*** \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was **accepted** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: *Contracting Officer*

Date: